

HB 2551

Bill Analysis

February 7, 2000

Brief Description: Providing a revenue neutral property tax credit for certain senior citizens and retired persons.

Bill Sponsors: Representatives Rockefeller, Dunshee, O'Brien, Eickmeyer, Cairnes, Anderson, Conway, Lantz, Kenney, Edmonds, Wolfe, Keiser, Haigh and Murray; by request of Governor Locke.

Brief Summary of Bill

- Provides a tax credit equal to the state property tax on the homes of participants in the senior citizens and persons retired due to disability property tax relief program.

Staff: Rick Peterson, 786-7150.

Background:

Some senior citizens and persons retired due to disability are entitled to property tax relief on their principal residences. To qualify, a person must be 61 in the year of application or retired from employment because of a physical disability, own his or her principal residence, and have a disposable income of less than \$30,000 a year. Persons meeting these criteria are entitled to partial property tax exemptions and a valuation freeze.

Partial exemptions for senior citizens and persons retired due to disability are provided as follows:

- A. If the income level is \$24,001 to \$30,000, all excess levies are exempted.
- B. If the income level is \$18,001 to \$24,000, all excess levies and regular levies on the greater of \$40,000 or 35 percent of assessed valuation (\$60,000 maximum) are

exempted.

C. If the income level is \$18,000 or less, all excess levies and regular levies on the greater of \$50,000 or 60 percent of assessed valuation are exempted.

In addition to the partial exemptions listed above, the valuation of the residence of an eligible senior citizen or disabled person is frozen at the assessed value of the residence on the later of January 1, 1995, or January 1 of the assessment year a person first qualifies for the program.

Summary of Bill:

Participants in the senior citizens and persons retired due to disability property tax relief program are provided a property tax credit equal to the state property tax on their homes.

The credit first applies to property taxes levied for collection in 2001.

Appropriation: None.

Fiscal Note: Requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.